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## ABSTRACT

The invention pertains to a method, online service, and system, for creating partnerships based on trust relationships over a public network, authenticating trade partners, infrastructure providers and collaborators to each other, and providing users with an environment suitable for conducting transactions requiring a high level of trust. A service according to the invention is a persistent authentication and mediation service (PAMS) which is provided as an on-line service. One embodiment is a method for conducting authenticated business transactions involving microprocessor equipped devices over the Internet comprising:

- A. providing an on-line authentication service available on the distributed network;
- B. authenticating a plurality of users to said on-line authentication service using a closed authentication system to produce a plurality of authenticated users; and
- C. connecting a group of at least two of said plurality of authenticated users under persistent mediation of said on-line authentication service, producing a connected group of authenticated users.